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Southern District of New York
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ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

13 CV 7898

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UNITED STATES OF AMERICA,

: VERIFIED COMPLAINT

Plaintiff,

: 13 Civ.

- v -

: JUDGE BRICCETTI

\$5,000,000.00 IN U.S. CURRENCY,

:

Defendant-in-Rem.
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:

Plaintiff United States of America, by its attorney,
PREET BHARARA, United States Attorney for the Southern District
of New York, for its Verified Complaint alleges, upon
information and belief, as follows:

I. JURISDICTION AND VENUE

1. This action is brought by the United States of
America pursuant to 18 U.S.C. § 981(a)(1)(C), seeking the
forfeiture of \$5,000,000 in U.S. Currency (the "Defendant-in-
Rem").

2. This Court has jurisdiction over this action
pursuant to 28 U.S.C. §§ 1345 and 1355.

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3. Venue is proper pursuant to 28 U.S.C. § 1355 because acts and omissions giving rise to the forfeiture occurred in the Southern District of New York.

II. BASIS FOR FORFEITURE

4. From at least in or about 2006, through and including in or about July 2011, Spyros Panos, an orthopedic surgeon and shareholder in the Mid Hudson Medical Group, P.C. ("MHMG"), which maintained offices in Dutchess County, New York, engaged in an unlawful scheme to defraud Medicare, the New York State Insurance Fund, and private health insurance providers (collectively, the "Health Insurance Providers"), pursuant to which false and fraudulent information, including pertaining to surgical procedures, was submitted to Health Insurance Providers (the "Fraudulent Claims"). The Fraudulent Claims resulted in the Health Insurance Providers paying MHMG more than MHMG was entitled to receive. On October 31, 2013, Panos pled guilty to committing health care fraud, in violation of 18 U.S.C. §§ 1347 and 2, as charged in Information 13 Cr. 800 (NSR).

5. During the period between in or about 2009 and in or about June 2012, certain employees of MHMG, who were responsible for submitting requests for pre-authorization/certification from certain Health Insurance Providers for Magnetic Resonance Imaging tests ("MRIs"), submitted requests to Health Insurance Providers in which the employees included

certain details regarding patients' history that the employees knew was necessary in order to obtain the approvals, but which the employees had no reason to know was or was not truthful, and which in at least some cases was not truthful, thus rendering the requests materially false and fraudulent (the "Fraudulent Pre-Certs"). The Fraudulent Pre-Certs resulted in certain Health Insurance Providers paying MHMG more for MRI tests than MHMG was entitled to receive.

6. On or about November 6, 2013, MHMG entered into a Stipulation and Order of Settlement with the United States regarding its receipt of the proceeds of the fraudulent activity described in this verified complaint, in the amount of \$5,000,000 (the "Fraud Proceeds"). MHMG has agreed that it will forfeit, pursuant to 18 U.S.C. § 981(a)(1)(C), the Fraud Proceeds. These funds constitute the Defendant-in-Rem.

III. CLAIM FOR FORFEITURE

7. Plaintiff repeats, realleges and incorporates by reference herein each and every allegation contained in paragraphs one through six of this Verified Complaint.

8. Pursuant to 18 U.S.C. § 981(a)(1)(C), "[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting 'specified unlawful activity' (as defined in Section 1956(c)(7) of [title 18])," is subject to forfeiture to the United States.

9. "Specified unlawful activity" is defined in 18 U.S.C. § 1956(c)(7), and the term includes (i) any act or activity constituting an offense involving a Federal health care offense, including 18 U.S.C. § 1347 (relating to health care fraud), see 18 U.S.C. §§ 24(a)(1) & 1956(c)(7)(F); and (ii) any offense listed under 18 U.S.C. § 1961(1), see 18 U.S.C. § 1956(c)(7)(A). Section 1961(1) lists, among other offenses, violations of 18 U.S.C. § 1341 (relating to mail fraud) and violations of 18 U.S.C. § 1343 (relating to wire fraud).

10. The Defendant-in-Rem is subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) because there is probable cause to believe that it represents proceeds traceable to offenses constituting specified unlawful activity, to wit, mail fraud, in violation of 18 U.S.C. § 1341; wire fraud, in violation of 18 U.S.C. § 1343; and health care fraud, in violation of 18 U.S.C. § 1347.

11. By reason of the foregoing, the Defendant-in-Rem became and is subject to forfeiture to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C).

WHEREFORE, Plaintiff United States of America prays that process issue to enforce the forfeiture of the Defendant-in-Rem and that all persons having an interest in the Defendant-in-Rem be required to appear and show cause why the forfeiture of the Defendant-in-Rem should not be decreed, that this Court

knows the contents thereof, and that the same is true to the best of her own knowledge, information and belief.

The sources of deponent's information and the ground of her belief are conversations with other law enforcement officers and others, official records and files of the United States Postal Inspection Service, and the United States Government, and information obtained directly by deponent during an investigation of alleged violations of Titles 18, United States Code.



PATRICIA THORNTON
Postal Inspector
U.S. Postal Inspection Service

Sworn to before me this
31st day of October, 2013:


NOTARY PUBLIC